

CAPITAL INVESTMENT FUND

FY 2004 will be the second year that the Capital Investment Fund will be proposed in order to modernize and improve information technology systems and to finance construction of USAID buildings overseas in conjunction with the Department of State. These no year funds will provide the Agency with greater flexibility to manage investments in technology systems and facility construction not allowed by the annual appropriation for Operating Expenses.

Capital Investment Fund (\$ in thousands)		
<u>Category</u>	<u>FY 2003 Estimate</u>	<u>FY 2004 Request</u>
Information Technology	13,000	20,000
Overseas Facility Construction	82,000	126,300
Total Obligations	95,000	146,300

Information Technology (IT)

Separating the improvement funds from on-going operations funds will allow IT improvement managers to have funding certainty independent of operational cost fluctuations. This request reflects the Agency's best estimates at this point in time. USAID is beginning the process of developing an enterprise architecture informed by discussions with the Department of State. This includes an evaluation of our financial management and procurement systems. Different line item expenditures could shift once this analysis is completed. This fund is proposed at \$20 million for FY 2004 and will be used to support the following initiatives:

Information Technology (\$ in thousands)		
<u>Category</u>	<u>FY 2003 Estimate</u>	<u>FY 2004 Request</u>
IT Systems		
Phoenix Washington Enhancements	2,400	
Mission Financial System	2,000	10,800
Procurement Improvement System	2,000	4,000
E-Gov Initiatives	379	681
Subtotal IT Systems	6,779	15,481
IT Infrastructure		
Infrastructure Projects	3,421	319
Subtotal IT Infrastructure	3,421	319
IT Architecture and Planning	2,800	4,200
Total	13,000	20,000

IT Systems Capital Investments

- USAID Phoenix Core Financial System (USAID Washington)** - This project supports product releases and upgrades to the headquarters' core financial system that provides accurate financial information to support Agency decisions in order to achieve USAID's strategic goals and objectives in the most cost efficient and effective manner and support substantial compliance with the Federal Financial Management Improvement Act (FFMIA).
- Financial System (USAID Missions)** - This project is part of the proposed plan to modernize USAID's business systems world wide through the expansion of the Agency's core accounting system to include overseas missions in developing countries. The overseas deployment of a web-based and integrated financial management system will provide an agency-wide system for budget execution, accounting, and financial management. Using e-business technologies provides a tool for mission personnel to manage financial transactions and program performance. It will also allow the agency to replace its current Mission Accounting and Control System (MACS) system used overseas that is not considered compliant with Joint Financial Management Improvement Program (JFMIP) requirements. This project will be coordinated through joint USAID and Department of State planning efforts. Funding for this project through FY-2004 will support the joint financial systems analysis study with the Department of State, comprehensive business and technical deployment planning, acquisition planning and execution, pilot testing and early phases of the systems rollout.
- Procurement System (USAID Missions)** - The Procurement System Improvement Project (PSIP) is designed to replace the NMS legacy system for Acquisition and Assistance, which is used only at USAID's Washington headquarters and would provide full electronic processing capability for the first time to field missions. It will

provide USAID with a breakthrough change in capabilities for worldwide, electronic processing of acquisition and assistance. Acquisition and Assistance (A&A) is a core USAID function and the Agency's primary means of achieving its mission of economic development. The overseas deployment of a web-based procurement system will provide a common agency-wide system for the A&A process. This A&A process applies to contracts for goods and services, as well as grants of development assistance, and to vendors and other agency partners in support of the program operations business area. The project will enable the Agency to achieve a higher level of compliance with key government regulations, such as Government Performance and Results Act, Government Paperwork Elimination Act, and the Information Technology Management Reform Act. The current plan is to commence the project by researching other potential Federal suppliers of these services. Funding requested will also include USAID's cost share in the Federal electronic grants portal initiative.

- **E-Gov Initiatives** – USAID is undertaking several initiatives to improve agency operations while benefiting from the cost effective electronic government technologies. Among the projects undertaken include engaging in:
 - a multi-agency E-Travel initiative to create a common travel management system throughout the Federal government to allow for simplified processes and less expensive operations;
 - an Integrated Acquisition initiative to facilitate the sharing of common data elements to enable agencies to make more informed procurement, logistical, payment and performance assessment decisions, and make maximum use of E-market approaches.
- A online Federal training initiative to provide employees with ready access to training products and services needed to help them perform their jobs and support USAID goals.

IT INFRASTRUCTURE CAPITAL INVESTMENTS

- **Infrastructure Projects** – These funds will be used for enhancements to the USAID infrastructure to support systems deployment models which will result from both discussions with the Department of State on potential joint operations, and the development of an Agency enterprise architecture. It is anticipated that funding will be needed in multiple aspects of the current infrastructure including hardware, software, security, and telecommunications. Projects funded will also address weaknesses raised by audits and vulnerability assessments.

IT ARCHITECTURE AND PLANNING CAPITAL INVESTMENTS

- **Architecture and Planning/PMO** - This project is part of the proposed plan to modernize USAID's business systems world wide through the upgrade and extension of its Enterprise Architecture (EA). The project also provides for adequate

staffing to support the management of related projects through all cycles of the project planning and management process. In order to do this, USAID will build upon previous work performed in support of its EA, conduct a joint study with Department of State and develop an enterprise architecture that is consistent with Federal Enterprise Architecture standards.

Facility Construction

The Secure Construction and Counterterrorism Act of 1999 requires the construction of new USAID office facilities and to collocate these facilities on embassy compounds when new embassies are constructed. The requested amount of \$126.3 million will fund USAID buildings in locations where State will have begun construction before FY 2004 including the following mission locations: Guinea, Cambodia, Uganda, Zimbabwe, Georgia, Mali and Armenia. Full funding for USAID buildings at all embassy locations where State will begin construction in FY 2004 has been included in the State request under the Capital Surcharge Proposal. It is critical that the funding be provided in FY 2004 in order to provide secure, safe and functional workspaces for our employees and so that the Agency and the Department of State can be in compliance with the Act of 1999.